

Intergovernmental Water Board (IWB)

Meeting Minutes August 8, 2007 City of Tigard Water Auditorium 8777 SW Burnham Street Tigard, OR 97223

Members Present:

Patrick Carroll	Representing the City of Durham *
Gretchen Buehner	Representing the City of Tigard
Julie Russell	Representing the Tigard Water District
Bill Scheiderich	Member at Large
Dick Winn	Representing the City of King City

Members Absent:

Patrick Carroll	Representing the City of Durham *
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* Joined the meeting by speakerphone for items 4 and 5.

Staff Present:

Public Works Director Dennis Koellermeier
Water Quality & Supply Supervisor John Goodrich
IWB Recorder Greer Gaston

1. Call to Order, Roll Call and Introductions

Commissioner Scheiderich called the meeting to order at 5:36 p.m.

2. Approval of Minutes – July 11, 2007

Commissioner Buehner motioned to approve the July 11, 2007, minutes; Commissioner Winn seconded the motion. The minutes were approved by unanimous vote, with Commissioners Buehner, Russell, Scheiderich, and Winn voting yes.

3. Public Comments: None

Note: Commissioner Carroll participated in the meeting via speakerphone for agenda items 4 and 5.

4. Consider a Water Building Lease with the City of Tigard

Mr. Koellermeier briefed the Board on this item which had been tabled at the Board's last meeting. He explained two items had been updated:

- Language was added which requires adjustments in rent at five year increments.
- A miscalculation was corrected to reflect the fact that improvements were annualized for a term of eleven and one-half years, instead of twelve and one-half years.

Commissioner Buehner motioned to approve the water building lease; Commissioner Winn seconded the motion.

At the request of Commissioner Russell, Commissioners Buehner and Winn amended their motion to incorporate the "Background Information on Rental Calculations for the Water Building Lease" document in the lease.

Note: Commissioner Russell inquired about agenda item 5. The Board discussed agenda item 5. The Board returns to agenda item 4 following this discussion.

5. Discuss City of Durham Request for Clarification of the Tenancy in Common Agreements Report on the Adoption of Intergovernmental Agreement Amendments

In response to a question from Commissioner Russell, Commissioner Buehner advised improvements (buildings) are typically depreciated through various methods, while real property does not depreciate.

Mr. Koellermeier summarized Mr. Ramis' memo. Mr. Koellermeier referenced the depreciation schedule in the 1994 report by Economic and Engineering Services, Inc., which assigns a 33 year, straight-line depreciation method for buildings. Real property, which does not depreciate, would be appraised at the time of transaction.

Commissioner Scheiderich added that if a building were to be sold to an outside party, it would be appraised and the IWB jurisdictions would share in the proceeds. However, if the building were sold to an IWB member jurisdiction, the value of the water building would be based on language in the tenancy in common agreement. This says the value of the building depreciates over time.

Commissioner Carroll confirmed that at the end of 33 years, if one of the IWB member jurisdictions wanted to terminate its intergovernmental agreement, then that owner's share in the value of the building would be zero. Commissioners Scheiderich and Winn concurred.

Commissioner Buehner added all buildings have a lifetime. She noted the money the City of Tigard had spent to bring the water building up to code.

Commissioner Russell asked what happens if the City of Tigard wanted the water building property. Commissioner Scheiderich and Carroll responded this could occur if the IWB member jurisdictions agreed to it. In this scenario the City of Tigard would be considered an outside party. The property would be appraised and the IWB would determine the sales price.

Note: The Board returned to agenda item 4.

4. Consider a Water Building Lease with the City of Tigard - Continued

The motion, under agenda item 4, was repeated.

Commissioner Buehner motioned for approval of the water building lease as amended; Commissioner Winn seconded the motion. The motion was approved by 4-to-1 vote, with Commissioners Buehner, Carroll, Scheiderich, and Winn voting yes. Commissioner Russell voted no.

Note: Commissioner Carroll concluded his participation (via speakerphone) in the meeting.

6. Consider Making a Recommendation to Owner Jurisdictions Regarding a PGE Easement on the Water Building Property

Mr. Koellermeier briefed the Board on PGE's request for an easement on the water building property. He noted the memo incorrectly listed the size of the easement as 6-feet long by 14-inches wide. The correct size is 6-feet long by 14-feet wide.

The Commissioners made the following requests/suggestions:

- Add language that should the easement no longer be needed, it can be terminated
- Add language "for use only as"
- Make the easement subject to relocation to prevent a permanent blockage of the property. The proposed language was "subject to relocation as Grantor deems necessary"

Mr. Koellermeier said these modifications would be made and resolutions would be prepared for each IWB member jurisdiction's consideration.

7. Review the Working Draft of the Tualatin Project Title Transfer and Tualatin Basin Water Supply Project Principles of Agreement

Mr. Koellermeier briefed the Board on the draft principles of agreement. He explained if a title transfer from federal to local government was pursued, the local government and its structure needed to be created. The principles of agreement reflected an attempt to define this local government.

Mr. Koellermeier added liability issues raised by Commissioner Buehner have been addressed in the document. He also explained even if the dam raise project does not take place, the existing operation could still be transferred to local jurisdiction. It was noted the first ten principles would take place irrespective of the water supply project, but the three additional principles are tied to the project.

The Commissioners made the following comments/suggestions regarding the draft principles of agreement:

- Requested attorneys Tim Ramis and/or Clark Balfour review the document.
- Address the fact that the irrigation district serves smaller net area.
- Place some kind of constraints on rates the irrigation district could charge partners for water it is not using.
- Concerns that the dam has depreciated over time and the partners are paying to rebuild it.
- Concerns over perpetuating a power subsidy to the irrigation district without making them investigate whether they really need that power.
- Concerns over whether the irrigation district is using power wisely.
- Concerns over subsidizing an inefficient irrigation system that may be obsolete.
- Concerns Washington County wants to be made whole for the park. Suggested at most to make them whole for net revenue.
- Proposed a ban on motorized watercraft in the reservoir.

Mr. Koellermeier stated the Scoggins Dam facility is not generating any power. Power generation was evaluated some time ago and did not make economic sense. This will be reevaluated.

Mr. Koellermeier reported the next draft of the principles will probably be available in October.

8. Water Supply Options

Mr. Koellermeier reported on the Lake Oswego water partnership:

- Meeting representatives from the IWB, City of Tigard, and Lake Oswego have been identified. The IWB representatives are Commissioners Scheiderich and Buehner.
- Lake Oswego is generating meeting dates.
- Lake Oswego's City Manager is leaving the city. This may impact work on the partnership.

Mr. Goodrich reported the following:

- Unusually cool weather has resulted in lower water demand
- Demand peaked at 12.4 million gallons per day (mgd) in July
- Demand in recent weeks has been in the 8 to 9 mgd range
- There is 60 day water supply in ASR 2
- One native groundwater well has been shut down due to the lower demand

Mr. Goodrich summarized a Daily Water Demand chart that had been provided to the Commissioners. The chart is on file in the IWB record. Over the last five years, there has been a 9.2 increase in service connections and a 6 percent decrease in water demand.

Commissioner Scheiderich asked for information on disconnecting down spouts from the stormwater system. He inquired about incentives for such a disconnection. The Board discussed whether stormwater run off is connected to the sanitary sewer system.

Mr. Goodrich responded to a question raised at a previous IWB meeting regarding the distribution of a Water Smart Rebate pamphlet. He advised the City of Tigard recently mailed two information pieces: a Water Rate Changes brochure and a Consumer Confidence Report (CCR). The Water rate Changes brochure was sent to every water account in the Tigard Water Service Area (TWSA), and, at a cost of over \$10,000, the CCR was sent to every household in the TWSA. Both items contained information on the current water smart rebate. Commissioner Scheiderich suggested a rebate brochure could be included as an insert in the first water bill of the fiscal year and also requested a date comparison of customer water usage be provided on water bills.

9. Informational Items: None

10. Non-Agenda Items

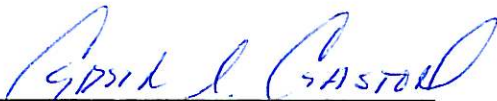
Commissioner Russell inquired about adding a discussion of the Grabhorn trash dump to a future IWB or Tigard Water District meeting. There has been some discussion this dump site has affected the Tualatin River and the water supply. Mr. Koellermeier will provide a status report on this topic at an upcoming meeting.

11. Next Meeting - September 12, 2007, 5:30 p.m.

City of Tigard Water Auditorium, 8777 SW Burnham Street, Tigard, Oregon

12. Adjournment

Commissioner Scheiderich adjourned the meeting at 6:39 p.m.


Greer A. Gaston, IWB Recorder

Date: 8-8-07